

Message Text

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42

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SUBJECT: PRODUCTION FORCE AT B.F. GOODRICH (IRAN) ON STRIKE

1. OFFICIALS OF B.F. GOODRICH (IRAN), A JOINT IRANIAN-U.S. VENTURE IN THE MANUFACTURE OF RUBBER TIRES AND TUBES, HAVE INFORMED THE EMBASSY THAT THE PLANT'S ENTIRE PRODUCTION FORCE OF 600 WORKERS HAS BEEN ON STRIKE SINCE APPROXIMATELY APRIL 11. THE COMPANY HAS BEEN HAMPERED IN DEALING WITH THE PROBLEM SINCE THE WORKERS' SYNDICATE HAS BEEN WITHOUT A LEADER FOR SOME TIME. THUS, THE BEST THE COMPANY HAS BEEN ABLE TO DO IS TO TALK WITH THE VARIOUS FACTIONS, GETTING FROM THEIR SELF-STYLED LEADERS A BEST IT CAN SOME IDEA OF WHAT CAUSED THE STRIKE. THE SYNDICATE HAS NOT PRESENTED THE COMPANY WITH A FORMAL LIST OF GRIEVANCES. HOWEVER, COMPANY OFFICIALS HAVE LEARNED THAT THERE HAS BEEN SOME GRUMBLING BY THE WORKERS OVER ALLEGED MANAGEMENT REFUSAL TO PERMIT A WORKERS' COOPERATIVE, ABSENCE OF A STAND-BY AMBULANCE IN CASE OF INJURIES AND DISSATISFACTION OVER THE MEAGER NO-RUZ COST OF LIVING INCREASE RECENTLY GRANTED. TO THESE CHARGES, COMPANY OFFICIALS INFORM THE IMBASSY THAT MANAGEMENT READILY APPROVED THE FORMATION OF THE COOPERATIVE MANY MONTHS AGO, THAT THERE HAS ALWAYS BEEN AN AMBULANCE STATIONED AT THE PLANT ON A 24-HOUR BASIS AND THAT THE SMALL COST OF LIVING INCREASE WAS MANDATED BY THE GOVERNMENT, NOT BY GOODRICH. ON THIS LATTER POINT, THE NO-RUZ COST OF LIVING INCREASE THIS YEAR AMOUNTED TO VIRTUALLY NOTHING AT ALL, I.E., 1 PERCENT SALARY INCREASE PLUS 10 RIALS A DAY AS COMPARED TO A 12 PERCENT INCREASE AND 20 RIALS

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A DAY GRANTED BY THE GOVERNMENT FOR NO-RUZ 1975. WHATEVER THE

ROOT CAUSE OF THE STRIKE MAY BE, IT IS EVIDENT THAT THERE IS A TOTAL ABSENCE OF DIALOGUE BETWEEN GOODRICH'S PLANT MANAGEMENT AND THE PRODUCTION WORK FORCE.

2. THE MINISTRY OF LABOR AND SOCIAL AFFAIRS HAS INFORMED THE SYNDICATE'S ACTING LEADERSHIP THAT THE STRIKE IS ILLEGAL AND THAT UNLESS THE WORKERS RETURNED TO THEIR JOBS BY APRIL 16, THE GOVERNMENT WOULD VIEW THE WORKERS AS HAVING ABANDONED THEIR JOBS. WHATEVER CONSEQUENCES WHICH MIGHT ARISE THEREFROM WOULD BE THE RESPONSIBILITY OF THE WORKERS. THIS MINISTERIAL DECISION HAS HAD NO EFFECT WHATEVER. GOODRICH'S MANAGEMENT HAS MET WITH THE MINISTRY AND WITH SAVAK ON A NUMBER OF OCCASION IN AN EFFORT TO GET THE WORKERS BACK ON THE JOB, OR AT LEAST OPEN NEGOTIATIONS ON THEIR GRIEVANCES, WHATEVER THESE MAY BE, BUT TO NO AVAIL THUS FAR.

3. B.F. GOODRICH (IRAN) HAS HAD A SERIOUS LABOR PRODUCTIVITY PROBLEM FOR SOME TIME. THE PLANT'S CAPACITY IS IDENTICAL TO THAT OF GENERAL TIRE, THE OTHER US-IRANIAN JOINT VENTURE IN TIRE MANUFACTURING, YET GOODRICH'S DAILY THROUGHPUT IS AT LEAST 25 PERCENT BELOW GENERAL TIRE'S. THE COMPANY HAS HAD LABOR PRODUCTIVITY EXPERTS BROUGHT IN FROM EUROPE AND THE U.S. TO DEVELOP NEW PERFORMANCE STANDARDS. THE COMPANY SAYS THAT A FEW OF THESE NEW STANDARDS HAVE BEEN INTRODUCED GRADUALLY ON A PIECE-MEAL BASIS, NOT ACROSS-THE-BOARD, AS NEW EQUIPMENT AND PRODUCTION PROCESSES ARE INSTALLED. PLANT OFFICIALS DO NOT DENY THAT THERE IS AT LEAST A POSSIBILITY THAT THE NEW PRODUCTION NORMS MIGHT BE A PARTIAL CAUSE FOR THE STRIKE BUT INSIST THAT WORKER DISSATISFACTION ON THIS SCORE HAS NOT BEEN PARTICULARLY NOTICEABLE AS FAR AS THEY ARE AWARE. MEANWHILE, THE COMPANY LOSES A MILLION RIALS A DAY SO LONG AS THE STRIKE CONTINUES.
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